

12th Legislative District

ARMSTRONG REPORT

A legislative update from Rep. Mike Armstrong



**Representative
Mike Armstrong**

What the Legislature accomplished this session!

- A rainy-day fund proposal goes to voters
- Tax relief for our farmers
- Coulee City rail line helps wheat farmers
- \$30 million for local projects
- Fight continues for property tax relief

P.O. Box 40600, Olympia, WA 98504-0600 • armstrong.mike@leg.wa.gov
Phone: (360) 786-7832 • Website: www.houseRepublicans.wa.gov/Armstrong
Toll-Free Legislative Hotline: 1-800-562-6000

Dear friends and neighbors,

It's good to be back home in the district after a long and sometimes difficult legislative session that ended April 22 in Olympia. During the 105-day session, the Legislature passed nearly 540 bills. I worked on behalf of the folks in the 12th District to provide:

- *tax relief for homeowners and farmers;*
- *affordable health care for employers and employees;*
- *funding for several local projects including a new water system for Monitor;*
- *purchase of the Coulee City Rail Line for grain transport;*
- *a rainy-day emergency fund to protect taxpayers; and*
- *representation on issues that matter most to our local citizens.*

In some cases, we were successful in these goals, but we also had some disappointments and missed opportunities. This newsletter provides a brief glimpse of major issues during the 2007 session. I welcome your thoughts and comments. Please contact my office at any time.



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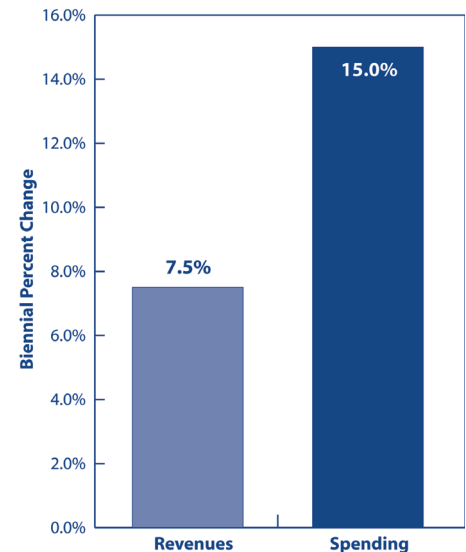
A budget surplus to a deficit in two years

We began the session with an anticipated operating budget surplus of \$2.2 billion. I had hoped the Legislature would have used part of that surplus to pay down the state's unfunded pension liability (estimated at \$5.7 billion) and put a sizable amount away into an emergency rainy day fund. Instead, budget writers set aside a minuscule amount for an emergency reserve (only \$134 million out of a \$33.3 billion operating budget), did nothing to address our state's pension problems, and spent more than the entire surplus on new and on-going programs. In fact, the operating budget spends \$1.3 billion more than the state will take in for revenues.

The operating budget adds more new state employees (3,800) than the entire population of Chelan (pop. 3,600). I am very concerned the governor's own projections put the state in a \$1.2 billion deficit in two years. This is not responsible budgeting.

Rainy-day account

On a positive note, we convinced the majority party to approve legislation that, with voter approval, will make way for a protected rainy-day account. Creation of this fund requires a constitutional amendment, so the proposal will be on the November ballot.



The operating budget approved by the Legislature will spend twice as much as it will take in, creating a large deficit.

Local teens serve as pages

I was proud to host three outstanding teenagers from the 12th District who served as pages in the Legislature. They included Hannah Hassinger and Polina Carlson, both of Leavenworth, and Katie Fergus of Okanogan.

Our page program is a wonderful opportunity for young people to be involved in the legislative process firsthand. Pages help in operational chores like delivering messages and documents to legislators in their offices, committee meetings, and the House chamber. Pages also attend two hours each day in a classroom setting learning about the Legislature. They each spend one week in Olympia and often live with host families. Plus, they get paid for their work!

If you have a son or daughter who is at least 14, but not reached his or her 17th birthday, contact my office about getting them involved as a page. You can also find out more about the page program at:
<http://www.leg.wa.gov/house/pageinternprogram>

Hannah Hassinger



Polina Carlson



Katie Fergus



ARMSTRONG REPORT

Fight to limit property taxes continues

Leavenworth property owners recently received their new assessments. Some property values have increased more than 100 percent over four years. Many property owners are hot under the collar – and with good reason. It means higher taxes that some cannot afford. I am concerned because I don't believe it is right for government to tax you out of your home.

I introduced and supported several measures, including House Bill 2403, to reinstate the limits of I-747 – a ballot measure approved by voters that would limit annual regular property tax increases to 1 percent. The initiative was overturned last year by a court decision that is under appeal. On March 5, when Republicans moved to vote HB 2403 out of the Finance Committee, the Democrat chairman said the bill was premature:

"Our side has not had time to have a conversation on the bill. The bill has been declared necessary to implement the

budget. We have lots of time on this bill. It is exempt from cutoff so a motion to this might be appropriate at a later time. We are not ready to do this yet."

On April 10, when we tried yet again to move the bill by pulling it to the House floor, the Democrat Speaker Pro Tem indicated it was too late:

"House Bill 2403 does not fall within the enumerated exceptions to the Wednesday, March 14th deadline for consideration of bills in the house of origin, and may not be considered by this body under the terms of the cutoff resolution."

First, it was too early to advance a bill to limit property taxes? Then, it was too late?

The reality is if our Democrat colleagues were serious about property tax relief, they would have allowed our tax relief bills to advance.

Instead, they repeatedly rejected our efforts.

This issue is too important for our 12th District citizens and it's not going away. I will continue pushing for property tax relief that allows citizens to remain in their homes.



I was pleased to meet with some of our Scouts from Wenatchee who toured the Capitol in March. Standing with me is Jonathan Higgins, Justin and Jim Terry, and Jay Higgins.

Affordable health care a missed opportunity

The biggest missed opportunity of the session was in health care. I was encouraged by the recommendations of the Blue Ribbon Commission on Health Care Costs and Access. The commission proposed some bold steps to provide affordable access to health care in Washington. We had hoped to see some of those recommendations implemented, including mandate-free or mandate "lite" options for small businesses.

Unfortunately, the Legislature moved forward with an expensive measure that expands taxpayer-subsidized health care to children in families up to 300 percent of the poverty level (\$62,000 for a family of four) – including non-citizen children. That rises far above the poverty level considering the median income in 37 of Washington's 39 counties is less than \$40,000 a year.

Farmers to benefit from Coulee City rail agreement and new tax relief

I was proud to join with representatives of Central Washington Grain Growers in February to watch Gov. Gregoire sign a memorandum of understanding with Watco Companies, Inc. The memorandum spells out details of a \$7.9 million sale of several short-line railroads to the state of Washington, including the CW Branch line between Coulee City and Cheney. The sale will allow growers in Douglas County and wheat-growing regions of Eastern Washington to ship grain via rail. This will not only help to provide greater farm-to-market access for wheat growers, it will also cut down on the wear and tear on Douglas County roads and bridges.



I was also pleased we could provide some tax relief for local farmers. House Bill 2353 provides a business and occupation tax exemption for custom farming services provided by a farmer that produces at least \$10,000 of agricultural products.

Capital budget provides for local projects

I supported the \$4.2 billion capital construction budget which contains more than \$30.2 million for projects in the 12th District. This is a good brick-and-mortar budget which will create jobs in our state while building schools for our children, parks for our families and providing a better quality of life for our area. Here's a list of our local funded projects:

Community development

Merc Playhouse.....	\$9,500
Confluence Gallery.....	\$77,000
Wenatchee Valley YMCA, youth and teen center	\$213,000
City of Wenatchee waterfront revitalization project	\$10,000,000
City of Soap Lake - spa and wellness center	\$1,000,000
Chelan County PUD - Monitor domestic water system	\$800,000

Museums

Mansfield Museum.....	\$10,000
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Parks, trails and habitat

Beebe Springs - restoration and trail project	\$492,888
Pearrygin Lake - park upgrade, shoreline improvements, court acquisition	\$4,467,000
Steamboat Rock - campground expansion	\$1,803,000
Wenatchee Foothills Trails.....	\$172,043
Mid-Columbia Shrub steppe	\$322,632
Methow Rapids.....	\$1,257,952
Methow Shrub-steppe restoration	\$304,521
Lehman Farm protection project	\$745,452
Methow watershed improvements.....	\$4,692,465

Fish and wildlife

Methow culverts replacement	\$754,000
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Local infrastructure

Mansfield - wastewater treatment upgrade.....	\$960,000
Rock Island - wastewater treatment system.....	\$870,000

Natural resources

Loomis Natural Resources Conservation Area.....	\$300,000
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Wenatchee Valley College

Preservation and infrastructure improvements.....	\$1,033,842
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I'm here to help you!

It is my greatest honor to be your state representative. I'm here to serve as well as represent you. Call my office in Olympia any time you have a question, comment or suggestion. My two legislative assistants, Wanda Brosey, Sharra Finley and I will be glad to assist you. My phone number is (360) 786-7832, or you can leave a message on our toll-free hotline: 1-800-562-6000.

You can also e-mail me at: armstrong.mike@leg.wa.gov. Also, please be sure to check out my website for the latest legislative news and information involving the 12th District. You can find it on the Internet at: <http://www.housepublicans.wa.gov/Armstrong>.



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Rep. Mike Armstrong
P.O. Box 40600
Olympia, WA 98504-0600